

Arizona Department of Financial Institutions

Nationwide Mortgage Licensing System Transition Plan for Licensed Mortgage Bankers, Commercial Mortgage Bankers, and Mortgage Brokers Plan for Loan Originators to Apply for an Arizona License

Mortgage Banker and Commercial Mortgage Banker Licensees:

Licensed Mortgage Bankers and Commercial Mortgage Bankers have until **March 31, 2009** to create an account and renew their license through the Nationwide Mortgage Licensing System (NMLS). Each licensee must complete and submit Form MU1 and Form MU2 for each control person (including the Responsible Individual in AZ). Additionally, each branch holding a license must complete and submit Form MU3 through NMLS.

It is important that current licensees have all of their Arizona license numbers available to enter in the License Wizard in NMLS when completing and submitting Form MU1 and Form MU3.

Each licensee should use the information currently on file with the Arizona Department of Financial Institutions ("AzDFI") when transitioning onto NMLS. Any change in information will need to be submitted as an amendment filing after transition approval.

Licensees should not make changes (i.e. add branches, address changes, etc.) while requesting transition to NMLS. We encourage you to update your information with AzDFI by **December 15, 2008**, so at the time of transition there will be no pending changes to submit.

Any licensee that needs to amend or surrender a license, or other action previously completed in paper form, from **January 2, 2009** onward must complete these actions within NMLS. Paper forms will not be accepted after **December 15, 2008**.

Completing and submitting these forms is the renewal process for mortgage bankers and commercial mortgage bankers for calendar year 2009. Licensees will have successfully completed their renewal submission through the NMLS once they have mailed the Arizona specific documents along with any additional renewal fees due to AzDFI based upon loan volume. All renewal submissions will be pending until reviewed by AzDFI. Licensees will be notified by AzDFI if any deficiencies are found regarding the renewal submission.

Note: If you have submitted these forms in another state, then you *do not need to re-enter your company record* in NMLS. You will only need to identify the appropriate license in Arizona and complete state specific questions in NMLS as well as print the AZ checklist and submit paperwork to AzDFI.

Mortgage Broker Licensees:

Licensed Mortgage Brokers in Arizona must create an account and transition to NMLS by **June 30, 2009**. Licensees must complete and submit through NMLS Form MU1 for their entity and Form MU2 for each of their control persons (including the Responsible Individual in AZ). Additionally, each branch holding a license must complete and submit Form MU3 through NMLS.

It is important that licensees have all of their Arizona license numbers available to enter in the License Wizard in NMLS when completing and submitting their Form MU1 and Form MU3(s).

Licensees should use the information currently on file with AzDFI when transitioning onto NMLS. Any change in information will need to be submitted as an amendment filing after transition approval.

Licensees should not make changes (i.e. add branches, address changes, etc.) while requesting transition to the NMLS. We encourage you to update your information with our office by **December 15, 2008**, so at the time of transition there will be no pending changes to submit.

Any licensee that needs to amend or surrender a license, or other action previously completed in paper form, from **January 2, 2009** onward, must complete these actions within NMLS. Paper forms will not be accepted after **December 15, 2008**.

Note: If you have submitted these forms in another state, then you *do not need to re-enter your company record* into NMLS. You will only need to identify the appropriate license in Arizona and complete some state specific questions in NMLS as well as print the AZ checklist and submit paperwork to AzDFI.

Loan Originators Applying for License:

All loan originators who wish to originate a residential loan secured by Arizona real property must be licensed by January 1, 2010 per A.R.S. Section 6-991 *et. seq.* Loan Originators can apply for their license beginning **January 2, 2009** by creating their record and filing form MU4 through NMLS. A loan originator can not submit an application for licensing until their employer has submitted and has transitioned onto NMLS. Please check with your employer as to its status NMLS. Once the employer has transitioned onto NMLS, all loan originator applicants will need to establish a sponsorship with their employer through NMLS.

All loan originators must complete the items listed below in order to attest that they meet all requirements to be licensed by January 1, 2010.

- Pre-licensing courses
- Completion of exam with passing score
- Criminal background check completed

Details about these requirements will be communicated at a later date.

Note: If you have submitted the MU4 form in another state, then you *do not need to re-enter your loan originator information* into NMLS. You will need to identify Arizona as a state that you wish to apply for a license on NMLS and complete some state specific questions on the AZ checklist. You will need to print the AZ checklist and submit paperwork to AzDFI.

For more detailed information, please refer to the following websites:

Quick Guides and Tutorials are available on the NMLS website to help you through this process. The NMLS website is: <http://www.stateregulatoryregistry.org/NMLS/AM/Template.cfm?Section=Home3>

You can also find links to the NMLS website on AzDFI's website, www.azdfi.gov.

IMPORTANT UPDATE PERTAINING TO A.R.S. Section 6-991 *et. seq.*:

AzDFI is working on legislation to introduce during the 2009 legislative session that would amend the current loan originator licensing law, A.R.S. Section 6-991 *et. seq.*, to meet requirements of the S.A.F.E Act (Public Law 110-289) that passed on July 30, 2008. In addition to Amendments relating to the S.A.F.E. Act, AzDFI is also proposing to extend the deadline for loan originator licensing to July 1, 2010. This would give the loan originators more time to fulfill pre-licensing education requirements and complete the national and state licensing tests. AzDFI should know by the end of the legislative session if the amendments to A.R.S. Section 6-991 *et. seq.* have passed. All loan originators are still required to meet all the licensing requirements currently in A.R.S. section 6-991 *et. seq.* by December 31, 2009 to have the ability to originate residential loans starting January 1, 2010. Please look for any updates on our website, www.azdfi.gov and we also plan to notify every licensed mortgage banker and mortgage broker of any updates.